

Aviation Fuel Tax Options

Applied to 8-year Averages (FY00-FY07)

<u>Aviation Fuel Tax Rate (Based on traditional cents/gal structure with interstate refund)</u>	<u>Current</u>	<u>Option 1</u>	<u>Option 2</u>	<u>Option 3</u>	<u>Option 4</u>
	3¢ per gal & 1½¢ per gal refund	1¢ per gal increase & 1½ ¢ per gal refund	2¢ per gal increase & 1½ ¢ per gal refund	1¢ per gal increase (jet only) & 1½ ¢ per gal refund	2¢ per gal increase (jet only) & 1½ ¢ per gal refund
Total Gallons Purchased	358,857,956	358,857,956	358,857,956	358,857,956	358,857,956
Taxable Jet Gallons Purchased	354,223,374	354,223,374	354,223,374	354,223,374	354,223,374
Taxable Avgas Gallons Purchased	4,455,440	4,455,440	4,455,440	4,455,440	4,455,440
Gallons Refunded	208,272,531	208,272,531	208,272,531	208,272,531	208,272,531
Gross Revenue	\$10,765,739	\$14,354,318	\$17,942,898	14,302,598	17,844,832
Net Revenue	\$7,641,651	\$11,230,230	\$14,818,810	\$11,178,510	\$14,720,744

<u>Aviation Fuel Tax Rate (Based on traditional cents/gal structure with no refund)</u>	<u>Option 5</u>	<u>Option 6</u>	<u>Option 7</u>	<u>Option 8</u>	<u>Option 9</u>	<u>Option 10</u>
	1¢ per gal decrease & no refund	Current 3¢ tax & no refund	1¢ per gal increase & no refund	2¢ per gal increase & no refund	1¢ per gal increase (jet only) & no refund	2¢ per gal increase (jet only) & no refund
Total Gallons Purchased	358,857,956	358,857,956	358,857,956	358,857,956	358,857,956	358,857,956
Taxable Jet Gallons Purchased	354,223,374	354,223,374	354,223,374	354,223,374	354,223,374	354,223,374
Taxable Avgas Gallons Purchased	4,455,440	4,455,440	4,455,440	4,455,440	4,455,440	4,455,440
Gallons Refunded	0	0	0	0	0	0
Gross Revenue	\$7,177,159	\$10,765,739	\$14,354,318	\$17,942,898	14,302,598	17,844,832
Net Revenue	\$7,177,159	\$10,765,739	\$14,354,318	\$17,942,898	\$14,302,598	\$17,844,832

<u>Aviation Fuel Tax Rate (Based on percentile structure alone or in combination with above methodology)</u>	<u>Option 11</u>	<u>Option 12</u>	<u>Option 13</u>	<u>Option 14</u>	<u>Option 15</u>	<u>Option 16</u>	<u>Option 17</u>	<u>Option 18</u>
	3% & no refund	3% and 1½¢ per gal refund	3%, 3¢, and 1½ per gal refund	16.67% of the Michigan sales tax	5% & no refund	5% and 1½¢ per gal refund	6% & no refund	6% and 1½¢ per gal refund
Total Gallons Purchased	358,857,956	358,857,956	358,857,956	358,857,956	358,857,956	358,857,956	358,857,956	358,857,956
Taxable Jet Gallons Purchased	354,223,374	354,223,374	354,223,374	354,223,374	354,223,374	354,223,374	354,223,374	354,223,374
Gross Revenue- Jet (@\$3.94/gal)*	\$41,869,203	\$41,869,203	\$52,495,904	\$13,956,401	\$69,782,005	\$69,782,005	\$83,738,405	\$83,738,405
Taxable AvGas Gallons Purchased	4,455,440	4,455,440	4,455,440	4,455,440	4,455,440	4,455,440	4,455,440	4,455,440
Gross Revenue- AvGas (@\$4.37/gal)**	\$584,108	\$584,108	\$717,771	\$194,703	\$973,514	\$973,514	\$1,168,216	\$1,168,216
Gallons Refunded	0	208,272,531	208,272,531	0	0	208,272,531	0	208,272,531
Gross Revenue	\$42,453,311	\$42,453,311	\$53,213,675	\$14,151,104	\$70,755,518	\$70,755,518	\$84,906,622	\$84,906,622
Net Revenue	\$42,453,311	\$39,329,223	\$50,089,587	\$14,151,104	\$70,755,518	\$67,631,430	\$84,906,622	\$81,782,534

*Department of Energy, Refiner/Supplier Rates- May 2008. Includes federal excise tax (4.4¢/gal). Does not include state excise tax.

** Estimated Refiner/Supplier Rate- May 2008